AT&L Hot Topics in Acquisition

Presentation for DAU

9 August, 2006

Acquisition and Technology

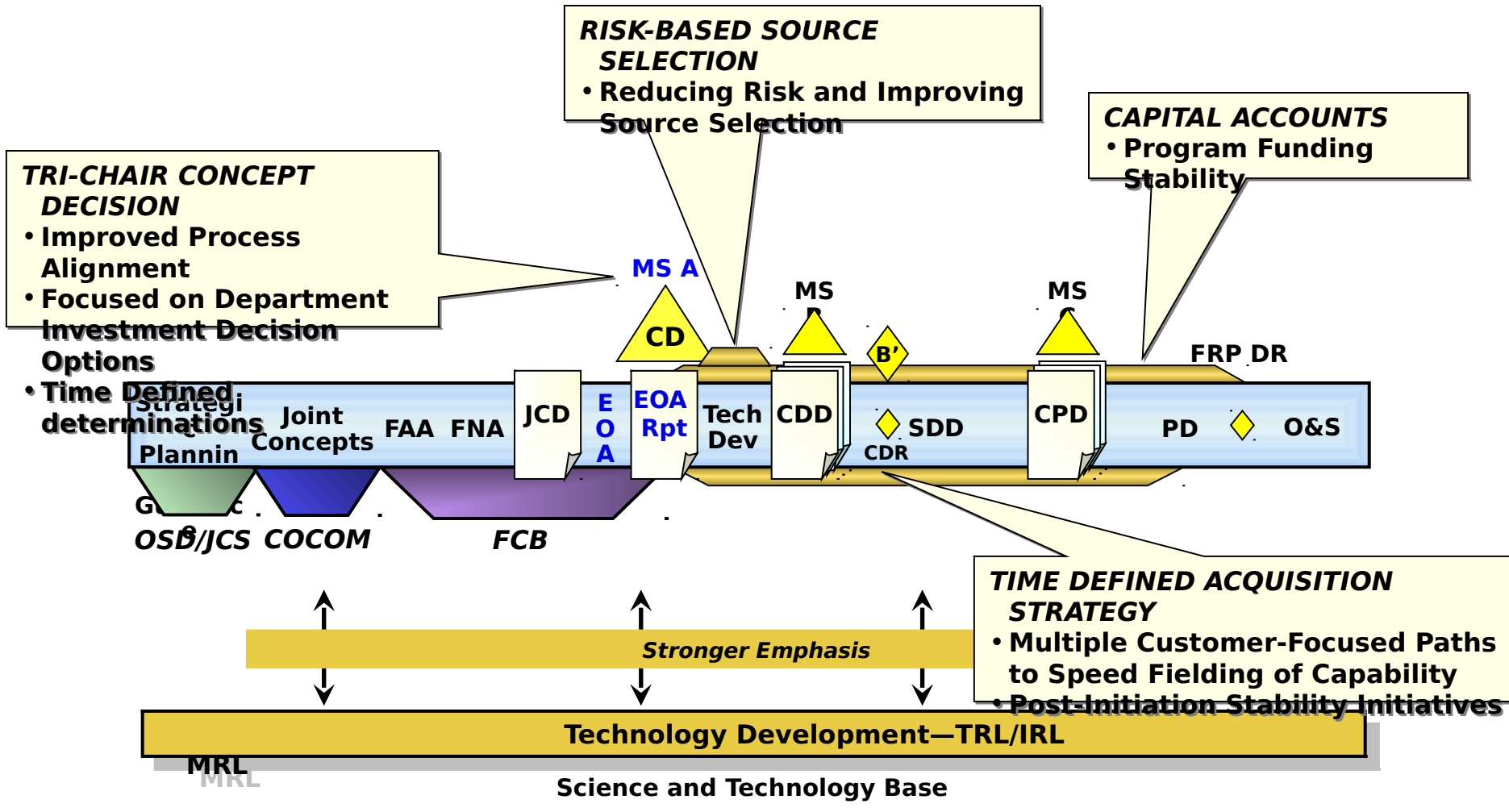
Providing Value-Added Oversight and Coherent Strategic Direction for Reduced Cycle Time, Increased Competition and Predictable Performance

Examples of Initiatives

Concept Decision/Time Defined Acquisition
Capital Budgeting
Risk-Based Source Selection
Defense Acquisition Executive Summary (DAES)
IIPT/OIPT/DAB/Portfolio Management Processes
Systems of Systems/Centers of Excellence
Award/Incentive Fee Policy/FAR/DFAR Δ's
Acquisition of Services Policy
Human Capital Strategic Planning
Lead Systems Integrator/Spiral Acquisition
Industry and Congressional Outreach

"THE WILL TO CHANGE..."

Concept Decision Toolkit



CD Methodology—Broad Acquisition Initiatives

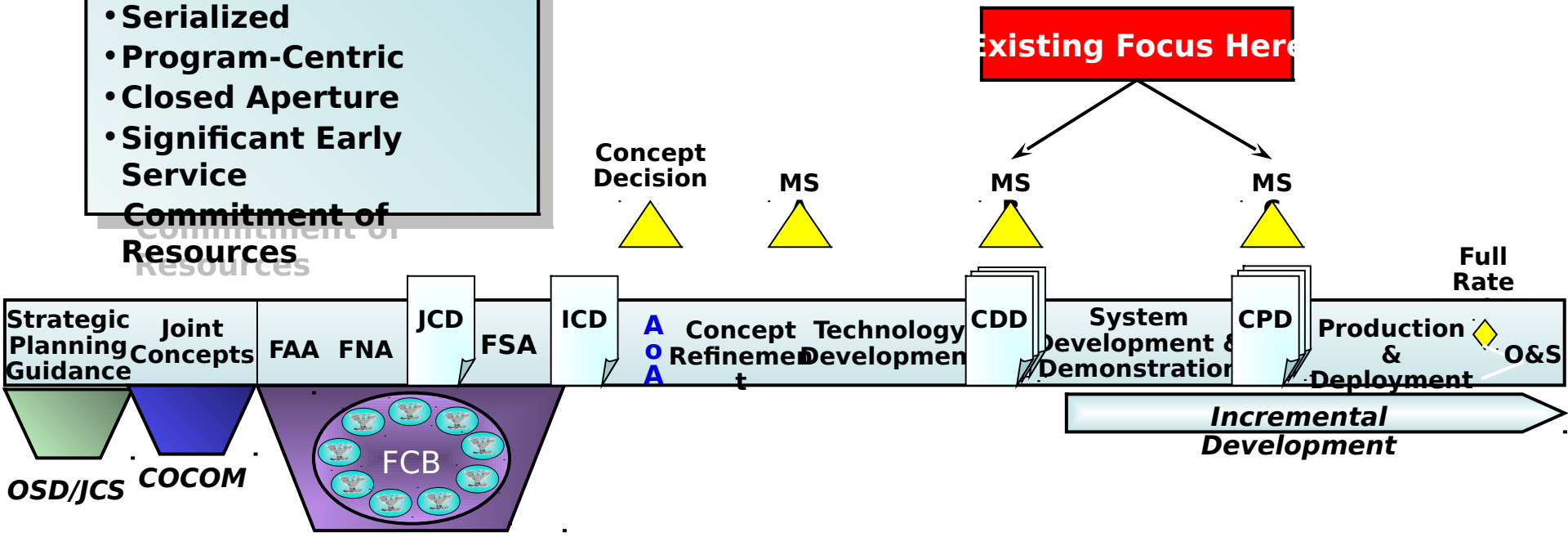
Why do Concept Decision?

- **Accelerate delivery of Joint warfighting capabilities**
  - Current process slow to respond to warfighter needs
- **Address resource/funding constraints early**
  - Necessary to control cost growth/requirements creep
  - Adequately fund and stabilize funding stream
- **Tailor analysis to support decision at hand**
  - Not all programs require extensive, time consuming and costly additional analytical efforts
- **Leverage Service/organizational competencies**
  - Delegate execution
  - Minimize oversight

Challenge: Maximize Process Change…Minimize Bureaucracy

"As Is" Process

As Is:
- **Serialized**
- **Program-Centric**
- **Closed Aperture**
- **Significant Early Service Commitment of Resources**

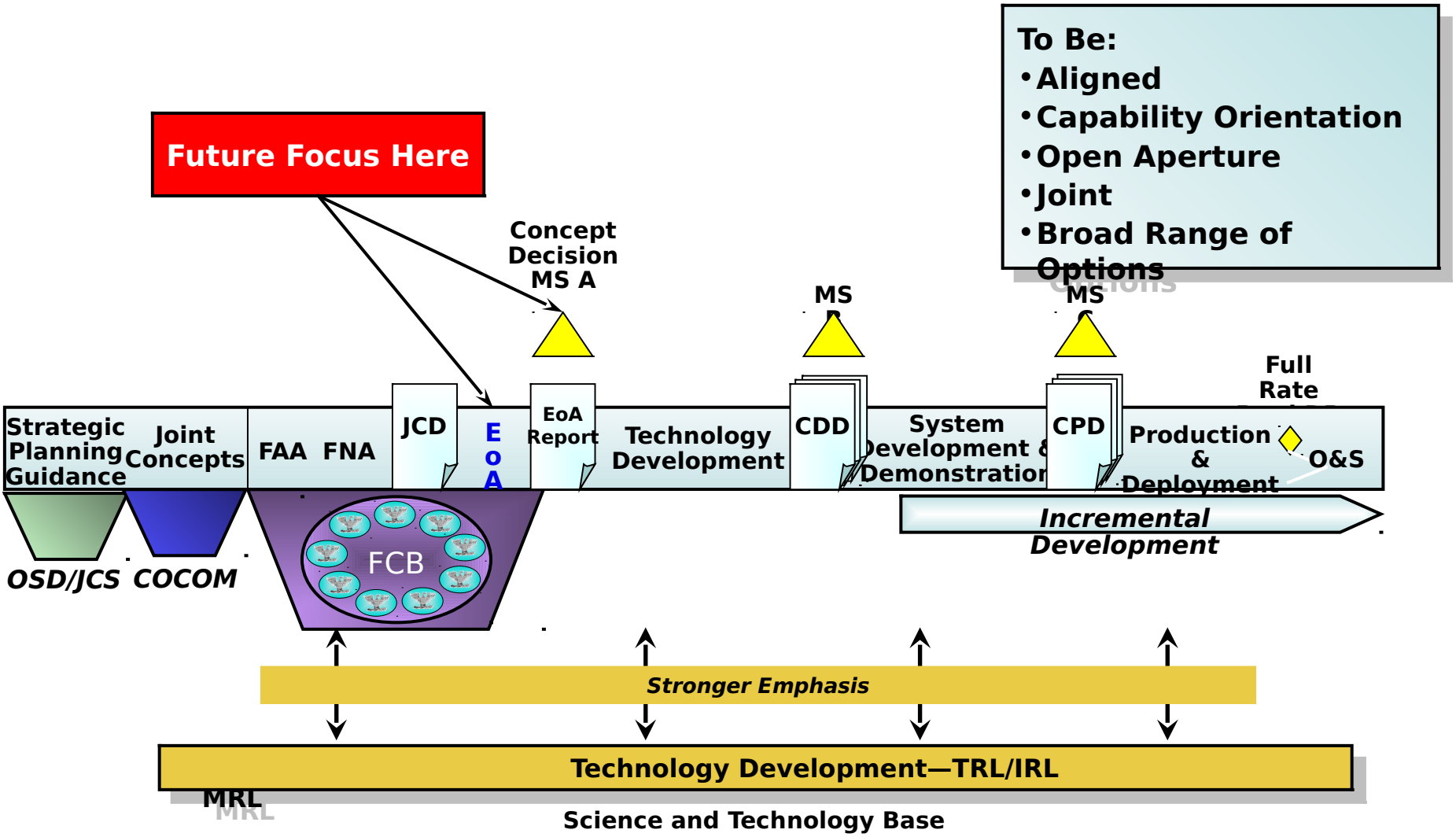


Technology Development—TRL/IRL

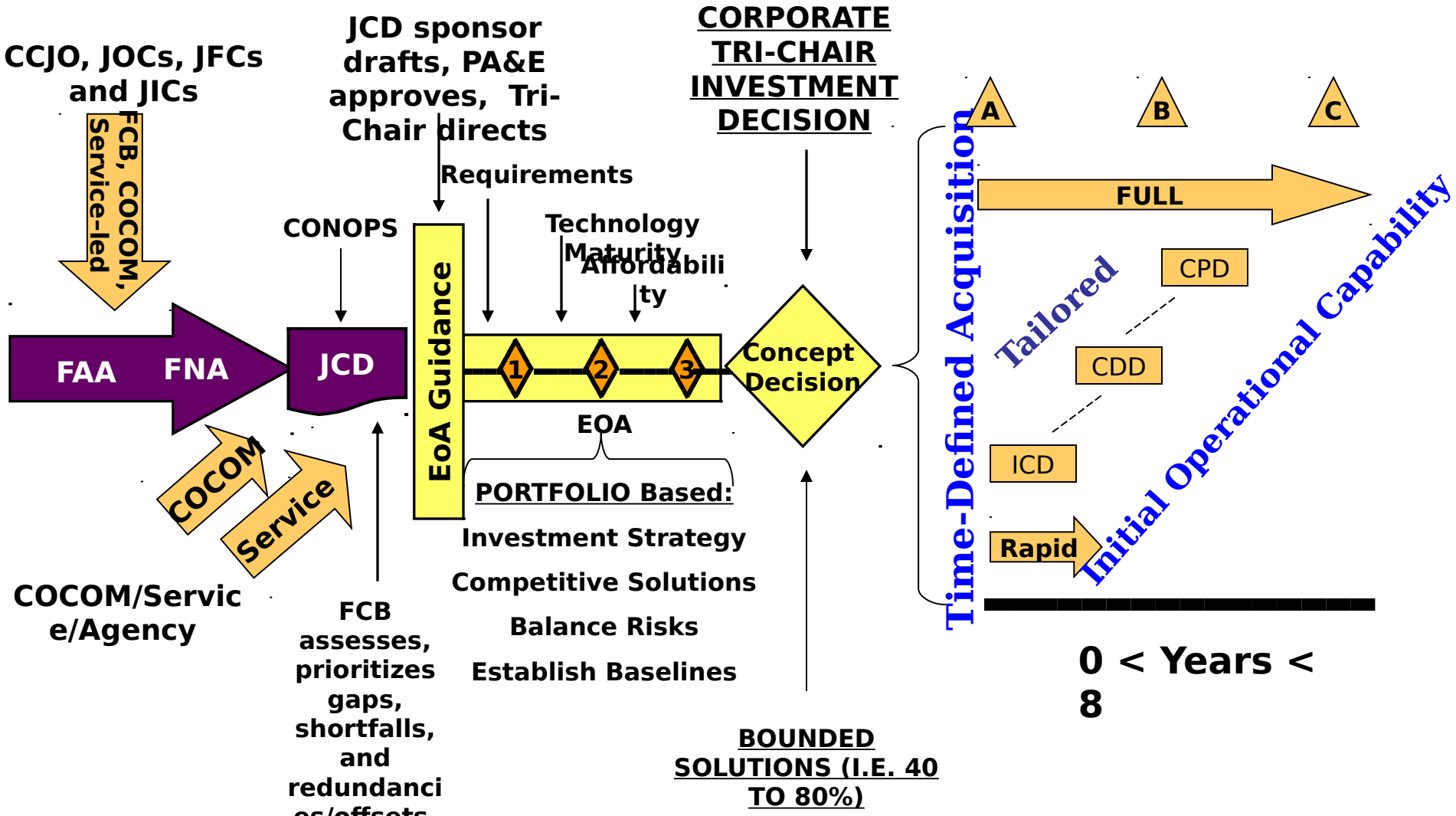
MRL

Science and Technology Base

New "To Be" Process



Concept Decision: Notional Next Layer



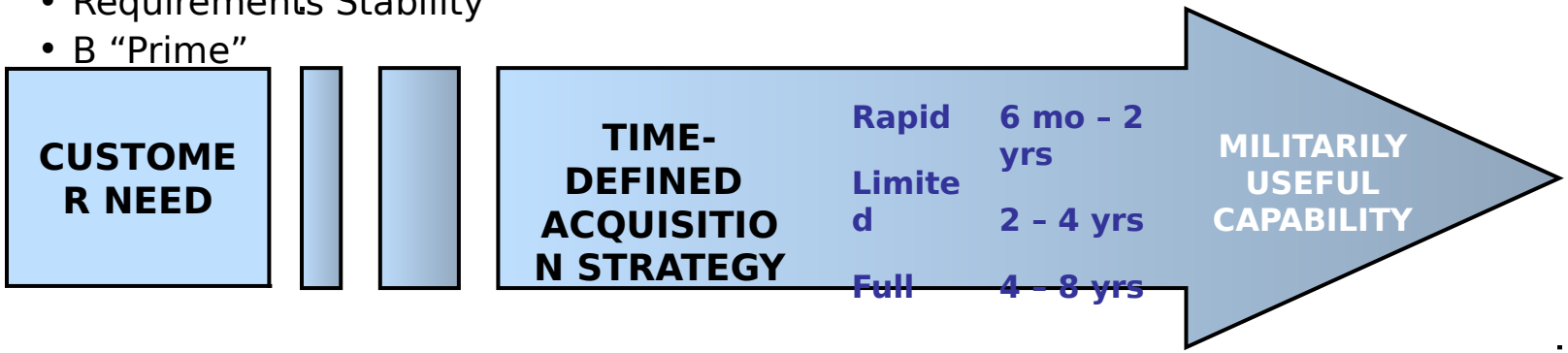
Concept Decision
From / To Savings

From FSA + AoA	To EoA	SavingsMetric
30 Months (min)	6 to 12 months	Shorter
@ Milestone A or B	Left of Milestone A	Earlier
Fragmented Approval	Focused Approval	Buy In
Single Service	Joint/Integrated	Choices
Performance Driven	Trade Off Driven	Constraints

Time-Defined Acquisition

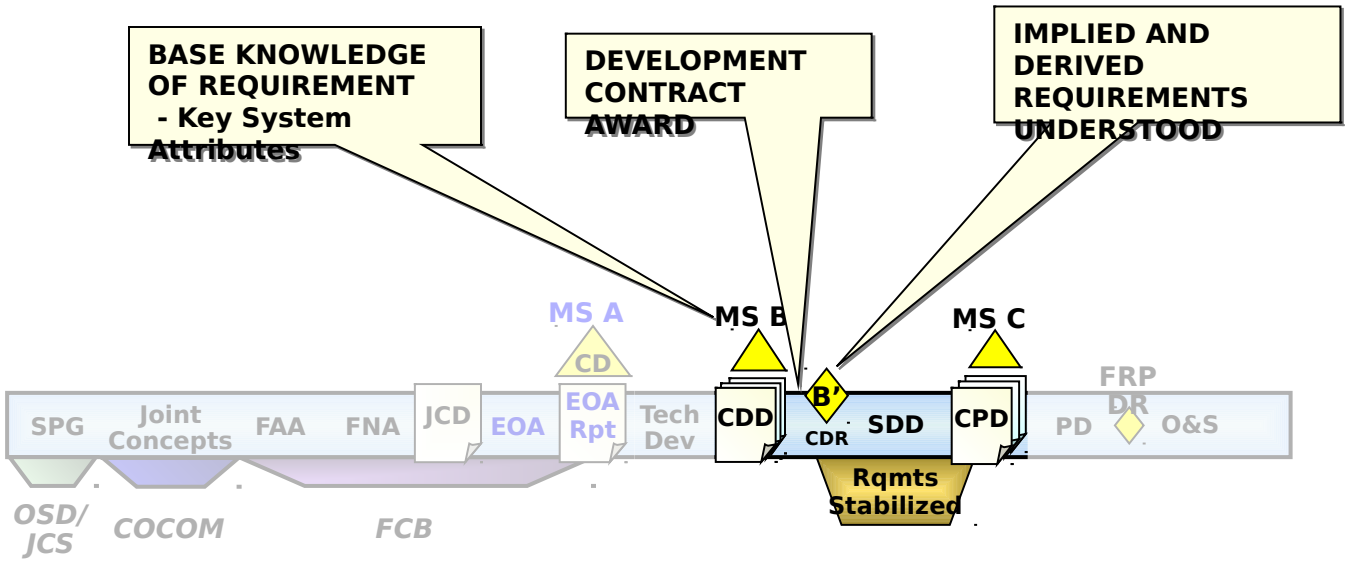
A Customer-Focused Concept that:

- Enhances system agility
- Capitalizes on Rapid Acquisition Authority and the Concept Decision
- Employs a time-sensitive acquisition approach emphasizing Customer Response and designed to provide capability when it is needed
- Uses three risk-based criteria to determine the Acquisition Strategy:
  - Time to delivery
  - Requirement certainty
  - Technology maturity
- Rapid requirements Triage via Gatekeeper function inherent in Concept Decision methodology
- Enhanced by Enabling Actions:
  - Requirements Stability
  - B “Prime”



Our First Priority is to Produce Useful Capability for the Warfighter When Needed

Requirements Stability—A Time-Defined Enabler



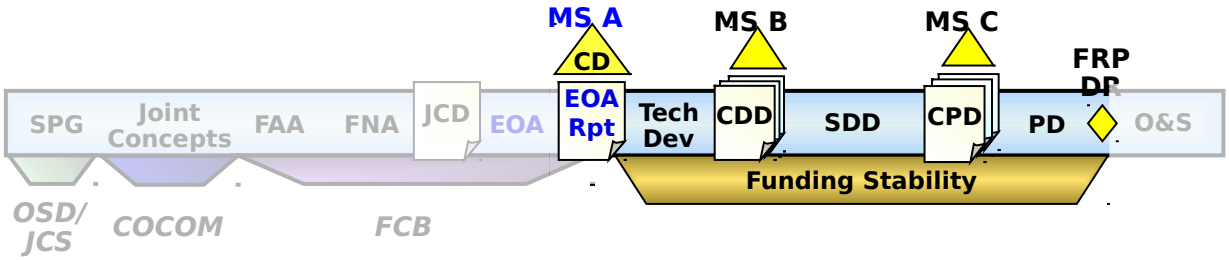
Potential B "Prime"

- A logical point, subsequent to Contract Award, where "Implied" and "Derived" requirements are known
- At System CDR, or "B Prime," that knowledge is available. There should be a required APB review at this point so we can assess the cost and schedule impact and identify non-value added cost drivers

Proposed Requirements Stability

- No changes that may result in additions or extensions to baselined cost or schedule after CDR unless approved by the MDA and Requirements Approving Official
- If such a change is approved by specified authority, it shall be self-financed and shall NOT impact schedule
- Default policy should be to defer proposed changes to follow-on increment

Funding Stability



Capital Accounts

- **A financial initiative designed to provide stability in the budgeting system and to establish accountability for acquisition programs throughout the hierarchy of program responsibility**
- **Implements a risk-informed investment strategy reflecting joint warfighter priorities**
- **Consistent with the QDR and section 1004(a) of the FY 06 Authorization Act, the Department is exploring capital accounts to stabilize funding for selected major programs**
- **Process will be part of the larger risk-informed investment strategy used to inform future investment decisions.**